

ORIGINAL OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

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**COMMISSIONERS**

BOB STUMP- Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

2013 JAN 29 P 3:02

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF  
ARIZONA PUBLIC SERVICE COMPANY  
REQUEST FOR APPROVAL OF UPDATED  
GREEN POWER RATE SCHEDULE GPS-1,  
GPS-2, AND GPS-3.

DOCKET NO. E-01345A-10-0394

IN THE MATTER OF THE APPLICATION OF  
ARIZONA PUBLIC SERVICE COMPANY  
FOR APPROVAL OF ITS 2013 RENEWABLE  
ENERGY STANDARD IMPLEMENTATION  
FOR RESET OF RENEWABLE ENERGY  
ADJUSTOR.

DOCKET NO. E-01345A-12-0290

**STAFF'S NOTICE OF FILING  
PROPOSED ORDER**

Staff of the Arizona Corporation Commission ("Staff") hereby files a proposed Order for the Commission's convenience when considering Agenda Item 31- APS's Application for approval of its 2013 Renewable Energy Standard Implementation for Reset of Renewable Energy Adjustor - the proposal set forth in APS's letter of January 25, 2013.

RESPECTFULLY SUBMITTED this 29th day of January, 2013.

Arizona Corporation Commission

**DOCKETED**

JAN 29 2013

DOCKETED

*LM*

*Maureen A. Scott*

Maureen A. Scott, Senior Staff Counsel  
Scott M. Hesla, Attorney  
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Original and eighteen (18) copies  
of the foregoing were filed this  
29th day of January, 2013 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

1 Copies of the foregoing mailed and emailed  
2 this 29th day of January, 2013 to:

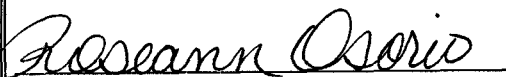
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1                                   **BEFORE THE ARIZONA CORPORATION COMMISSION**

2       BOB STUMP  
          Chairman  
3       GARY PIERCE  
          Commissioner  
4       BRENDA BURNS  
          Commissioner  
5       BOB BURNS  
          Commissioner  
6       SUSAN BITTER SMITH  
          Commissioner

8       IN THE MATTER OF THE APPLICATION OF     DOCKET NO. E-01345A-10-0394  
9       ARIZONA PUBLIC SERVICE COMPANY  
10      REQUEST FOR APPROVAL OF UPDATED  
         GREEN POWER RATE SCHEDULE GPS-1,  
         GPS-2, AND GPS-3.

11      IN THE MATTER OF THE APPLICATION OF     DOCKET NO. E-01345A-12-0290  
12      ARIZONA PUBLIC SERVICE COMPANY  
13      FOR APPROVAL OF ITS 2013 RENEWABLE  
         ENERGY STANDARD IMPLEMENTATION  
14      FOR RESET OF RENEWABLE ENERGY  
         ADJUSTOR.                                 DECISION NO. \_\_\_\_\_  
  **ORDER**

15  
16      Open Meeting  
          January 30 and 31, 2013  
17      Phoenix, Arizona

18      **BY THE COMMISSION:**

19   **FINDINGS OF FACT**

20  
21           1.     On June 29, 2012, Arizona Public Service Company filed its 2013 Renewable  
22      Energy Standard and Tariff ("REST") Implementation Plan with the Arizona Corporation  
23      Commission ("Commission" or "ACC") for approval. Interested parties filed comments on APS's  
24      proposed Implementation Plan. Staff filed a Report and Proposed Order regarding the  
25      Implementation Plan on October 18, 2012.

26           2.     The Commission considered APS's Implementation Plan at an Open Meeting on  
27      January 23, 2013. The Commission adopted much of APS's proposed Implementation Plan with  
28      modifications. It deferred some portions of the Plan to a hearing, including Track and Record.

1           3.     It also directed APS to develop a proposal to implement specific charges and/or  
2 surcharge limits within the Company's Adjustment Schedule REAC-1 for those customers that  
3 interconnect a renewable resource to the Company's distribution system.

4           4.     On January 25, 2013, APS filed a letter stating that in an effort to be consistent with  
5 the language approved by the Commission on January 23, 2013 for Tucson Electric Power and  
6 UNS Electric, APS proposed the following ordering language:

7  
8                   "IT IS FURTHER ORDRED that customers who have a renewable installation  
9 that is interconnected with APS's system shall pay the average of the REAC-1  
10 surcharge paid by members of their customer class beginning on the day APS's  
11 2014 REAC-1 becomes effective. The requirement shall apply to renewable  
12 systems reserved on and after February 1, 2013 and those systems that received  
13 an incentive under the RES rules installed on and after July 1, 2012."

14           5.     While we appreciate APS's suggestions, we do not believe that this language  
15 completely captures the intent of the discussion at the January 23<sup>rd</sup> Open Meeting on this issue.  
16 The discussion contemplated that all customers who have interconnected a renewable installation  
17 on or after February 1, 2013, regardless of having received an incentive or not, be required to pay  
18 the average of the REAC-1 surcharge paid by members of their customer class. Therefore, the  
19 following modification to APS's proposed language is appropriate to clarify this point:

20                   "IT IS FURTHER ORDERED that customers who have a renewable  
21 installation that is interconnected with APS's system shall pay the average  
22 of the REAC-1 surcharge paid by members of their customer class  
23 beginning no later than January 1, 2014. This requirement shall apply to  
24 renewable systems installed on and after February 1, 2013."

25           6.     We also desire to point out that in Decision No. 73183, customers who have a  
26 renewable installation and receive incentives under the REST rules are required to pay a fixed cost,  
27 the monthly REST cap. This payment will begin when APS reprograms its billing system or with  
28 the March 2013 billing, whichever is sooner. This requirement only applies to renewable systems  
installed on or after July 1, 2012.

...

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**CONCLUSIONS OF LAW**

1  
2 1. Arizona Public Service Company is a public service corporation within the meaning  
3 of Article XV, Section 2, of the Arizona Constitution.

4 2. The Commission has jurisdiction over Arizona Public Service Company and over  
5 the subject matter of APS's application concerning its 2013 REST Implementation Plan.

6 3. The Commission concludes that it is in the public interest to approve Arizona  
7 Public Service Company's proposed charges and/or surcharge limits within the Company's  
8 Adjustment Schedule REAC-1 for those customers with renewable installations that interconnect  
9 to the Company's distribution system as modified by Findings of Fact 5 and 6 above.

**ORDER**

10  
11 IT IS THEREFORE ORDERED that consistent with Decision No. 73183, beginning on the  
12 earlier of the date APS reprograms its billing system or the March 2013 billing and continuing  
13 until January 1, 2014, APS shall charge residential, small commercial, large commercial and  
14 industrial customers who receive incentives under the REST rules a fixed cost, the monthly REST  
15 cap. Consistent with Decision No. 73183, this requirement shall only apply to renewable systems  
16 installed on and after July 1, 2012.

17 IT IS FURTHER ORDERED that customers who have a renewable installation that is  
18 interconnected with APS's system shall pay the average of the REAC-1 surcharge paid by  
19 members of their customer class beginning no later than January 1, 2014. This requirement shall  
20 apply to renewable systems installed on and after February 1, 2013.

21 IT IS FURTHER ORDERED that this Decision shall be become effective immediately.

22 ...

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive  
Director of the Arizona Corporation Commission, have  
hereunto, set my hand and caused the official seal of this  
Commission to be affixed at the Capitol, in the City of  
Phoenix, this \_\_\_\_\_ day of  
\_\_\_\_\_, 2013.

JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SERVICE LIST FOR: ARIZONA PUBLIC SERVICE COMPANY  
DOCKET NOS.: E-01345A-10-0394 & E-01345A-12-0290

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